

The Global Financial Crisis and the Reform of the Regulatory Framework

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Rethinking Financial Liberalisation and Financial Regulation

Consequences of the financial turmoil

Various elaborations on the international level

- ❖ G 20 Summit in London on 1 and 2 April 2009
- ❖ Financial Stability Board as successor of FSF (2 April 2009)
- ❖ De Larosière report on European Committees (25 Feb 2009)
- ❖ IOSCO Task Force on Financial Crisis – submission of hedge fund oversight recommendations (20 March 2009)
- ❖ EU Commission initiative for unregulated instruments is under way (April 2009)



tightening of supervisory legislation
strengthening of international co-operation

Positive Aspects of Financial Integration

The European Passport remains a well-established tool for financial integration towards a European Single Market

-> no reason to fall into protectionism

Concept: Authorization / approval by the administrative authority of one Member State only so that issuer has not to seek for another approval by other supervisory authorities in the so called Host Member State.



Towards a pan-European Market

European Directives on Banking and Capital Market enable financial institution to offer their business cross-border.

Positive Aspects of Financial Integration

The European Passport as core element towards a Single Market is heavily used and proved pretty functional.

Nonetheless certain obstacles prevail owed to market peculiarities and diverging company and private contract law.

Current discussions for the sake of convergence may lead to strengthening supra-national EU bodies.

CESR / CEBS / CEIOPS may turn into European Authorities.

ECB may gain further competences in macro-prudential supervision.

Level Playing Field

Endeavours towards international integration

Several international principles under way

Alignment efforts of the EU with neighbouring countries and selected other third countries such as China, US

Deficiencies in Financial Integration

In the wake of the financial meltdown regulators reacted mainly on a national scale

- e.g. ban on short selling – in Germany in force regarding particular financial instruments until 31 May 2009 – enacted on a national level though some sort of interaction appeared
- economic stimulus plans solely on a national level
- Enhanced role of IMF / World Bank discussed at a later stage
- Some concern that national interest may prevail and curb international cross-border commitment

Deficiencies in Financial Integration

Selective Scope of Supervision

Some financial instruments did not face the same level of supervision even though they are of systemic relevance.

Oversight of Hedge Funds?

Treatment of Private Equity?

- **Further Steps,...**

Contact

Thank you for your attention!

In case of future questions,
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